DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

CORRECTED

FORM APPROVED
OMB NO. 0938-0193

OFFICIAL FILE COPY

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:	2. STATE:
0 3 — 0 1 6	OKLAHOMA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
10-01-03

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
Sec. 1927(a) of the Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2004 $ (525,000)
b. FFY 2005 $ (750,000)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 3.1-A, Page 5a-1
Attachment 3.1-A, Page 5a-1.1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Same Page, Revised 02-01-03, TN# 03-05
Same Page, Revised 01-01-03, TN# 03-04

10. SUBJECT OF AMENDMENT:
Supplemental Drug Rebate

11. GOVERNOR'S REVIEW *(Check One)*:

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Mike Fogarty

14. TITLE:
Chief Executive Officer

15. DATE SUBMITTED:
January 6, 2004

16. RETURN TO:
Oklahoma Health Care Authority
Attn: Jim Hancock
4545 N. Lincoln, Suite 124
Oklahoma City, OK 73105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 12 November 2003 ~~9 JANUARY 2004~~

18. DATE APPROVED: 3 FEBRUARY 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
1 OCTOBER 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
ANDREW A. FREDRICKSON

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR
DIV OF MEDICAID & CHILDREN'S HEALTH

23. REMARKS:

c: Mike Fogarty
Jim Hancock

FORM HCFA-179 (07-92)

Instructions on Back

State OKLAHOMA

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED CATEGORICALLY NEEDY

12.a. Prescribed drugs, dentures, and prosthetic devices, and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

Prescription Drugs

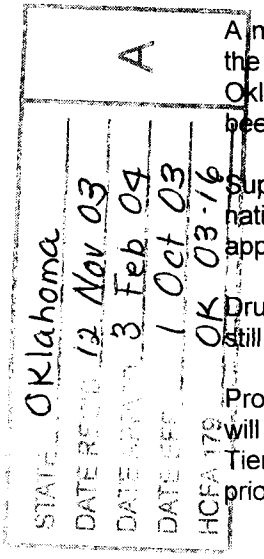
Payment will be made from Title XIX funds to pharmacists with whom the Agency has a contract on behalf of categorically needy recipients up to a maximum of three prescriptions (new or refill) per month per eligible recipient. Exceptions: Prescription drugs under EPSDT, birth control drugs, antineoplastics, chemotherapeutic agents for the treatment of opportunistic infections for persons diagnosed with acquired immune deficiency syndrome (AIDS), certain prescriptions which require frequent laboratory monitoring, and hemophilia drugs are not limited to the three (3) prescriptions per month. Prescription quantities are limited to a 34 day supply or 100 dosage units, whichever is greater. Some prescription drugs may require prior authorization as determined by the Drug Utilization Review Board (DUR). Only legend drugs whose manufacturers have a rebate agreement with HCFA are covered.

Tiered Drug List

The DUR Board will determine medical necessity for drugs covered under the Oklahoma tiered drug list and establish criteria for any prior authorization process. A preferred product, tiered drug list, is utilized for certain categories of drugs. Drugs included in tier one are available without additional documentation. A prior authorization process is available for drugs not included in tier one.

The prior authorization process provides for a turn-around response by either telephone or other telecommunications device within 24 hours of receipt of a prior authorization request. In emergency situations, providers may dispense at least a 72 hour supply of medication.

Supplemental Drug Rebate Pursuant to Section 1927 of the Act, the State has the following policies for Medicaid supplemental rebates:



A model agreement between the State and a drug manufacturer for drugs provided to the Medicaid population, submitted to CMS on January 2, 2004 and entitled "State of Oklahoma, Oklahoma Health Care Authority Supplemental Rebate Agreement" has been authorized by CMS.

Supplemental rebates received by the State in excess of those required under the national rebate agreement will be shared with CMS on the same percentage basis as applied under the national rebate agreement.

Drugs of manufacturers who do not participate in the supplemental rebate program will still be available to Medicaid recipients.

Products for which a signed Medicaid State Supplemental Rebate Agreement is on file will have preferred status. This status may be reflected in the Product's placement in Tier One of the Tiered Drug List, inclusion on a Preferred Drug List, or by removing a prior authorization requirement from the product.

SUPERSEDES TN 03-05 Revised 10-01-03

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED
CATEGORICALLY NEEDY

12.a. **Prescription drugs (continued)**

The following legend drugs are excluded from coverage:

Anorexia or Weight Gain Medications: Medications used for anorexia or weight gain will not be a covered drug benefit. Exceptions: Methylphenidate and Dextroamphetamine shall be covered drug benefits for Medicaid covered children when prescribed for hyperactivity and narcolepsy. A prior authorization is required for adults. Methamphetamine and Methamphetamine/Dextroamphetamine require prior authorization for both children and adults.

Fertility Medications: Medications used to promote fertility will not be a covered drug benefit.

Cosmetic or Hair Growth Medications: Medications used to promote hair growth for cosmetic purposes will not be a covered drug benefit.

Cough and Cold Medications: Medications used for the symptomatic relief of coughs and colds will not be a covered drug benefit. Exception: Prior authorization shall be required for non-sedating antihistamines.

Prescription Vitamins and Minerals Products: Legend vitamin medications will not be a covered drug benefit. Exception: Vitamin medications containing fluoride for children and prenatal vitamins shall be a covered drug benefit.

Obesity Medications: Medications with primary usage for the treatment of obesity, such as appetite suppressants, will not be a covered drug benefit.

Less-than-effective Medications: Medications determined by the FDA to be less-than-effective are not covered.

Experimental Medications: Medications that are experimental or whose side effects make usage controversial are not covered.

Legend Medications Requiring Associated Tests: Legend medications requiring associated tests and/or monitoring will be a covered drug benefit only after obtaining prior authorization. A prior authorization process will also be used to authorize coverage of selected non-covered medications for individuals with specific diseases.

Non-Legend Medications: Non-legend medications will not be a covered drug benefit. Exception; Insulin preparations and over the counter contraceptive products shall be a covered drug benefit.